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SECTION 9

Real Estate

Commercial Real Estate

Building Permits

Since 2000 the number of building permits issued in Salmon Arm has been on a constant increase.

Values of Building Permits						
Year	No. of Permits	Residential Value \$1000	Commercial Value \$1000	Industrial Value \$1000	Institutional Value \$1000	Total
Salmon Arm						
2000	252	6,602,560	4,915,520	1,139,830	2,698,490	15,356,400
2001	274	5,690,010	13,998,145	183,010	1,633,190	21,504,355
2002	286	9,514,580	2,559,060	1,790,360	4,130,050	17,994,050
2003	298	18,155,565	3,232,320	1,364,175	2,030,300	24,782,360
2004	349	20,454,253	4,314,615	706,900	10,405,575	35,881,343
2005	396	24,809,660	3,723,186	3,835,100	15,208,800	47,576,746
2006	423	30,433,851	3,508,525	1,432,994	9,701,800	43,077,170
Ytd June 2007	157	4,783,497	15,350	20,169	n/a	4,819,016
Sicamous						
2000	59	1,137,000	427,665	NIL		1,564,665
2001	59	2,066,941	422,013	NIL		2,488,954
2002	59	2,295,361	350,665	1,403,198	256,800	4,306,024
2003	54	3,241,250	368,420	NIL	1,200,000	4,809,670
2004	37	9,056,357	598,150	NIL	90,000	10,098,067
2005	73	19,171,266	674,180	NIL	8,000	20,092,906
2006	60	13,555,025	2,022,700	NIL	NIL	17,546,233
Ytd June 2007	26	1,645,220	40,000	NIL	2,000	1,766,720
Source: City of Salmon Arm & District of Sicamous July, 2007.						

Buildings to Purchase/ Lease

Buildings for Sale					
Building Classification/ Type	Price per	Total Available	Number of	Largest Single	Largest Single
	\$1000 value	Space (Sq Ft)	Buildings	Space (Sq Ft)	Space (Sq Ft)
Office - Class CBD	\$6-12	28,000	12	4,000	4,000
Manufacturing - non CBD	\$7.50	33,000	6	14,000	14,000
Warehouse - non CBD	\$6-8.50	25,000	3	14,000	14,000
Retail	\$6-15	45,000	25	6,000	6,000
Sicamous & CSRD Retail	N/A	18,000	7	5,500	5,500
Sicamous Manufacturing & Warehouse	N/A	11,500	5	3,500	3,500
Buildings for Lease					
Building Classification/ Type	Total Available	Vacancy	Number of	Largest Single	Largest Single
	Space (Sq Ft)	Rate	Buildings	Space (Sq Ft)	Space (Sq Ft)
Office - Class A	20,000	5	12	4,000	4,000
Manufacturing - non CBD	28,000	1	5	14,000	14,000
Warehouse - non CBD	20,000	1	3	14,000	14,000
Retail	38,500	7	14	9,000	9,000
Note: CBD is Central Business District.					
Source: Municipal Redbook, City of Salmon Arm & District of Sicamous Building Department Report. July, 2006. Data presented in this table was obtained in part from the Official Community Plan, which was a study completed in 2002 and has not been replicated. Therefore, current numbers are not available (August 2006).					

Commercial Land Inventory

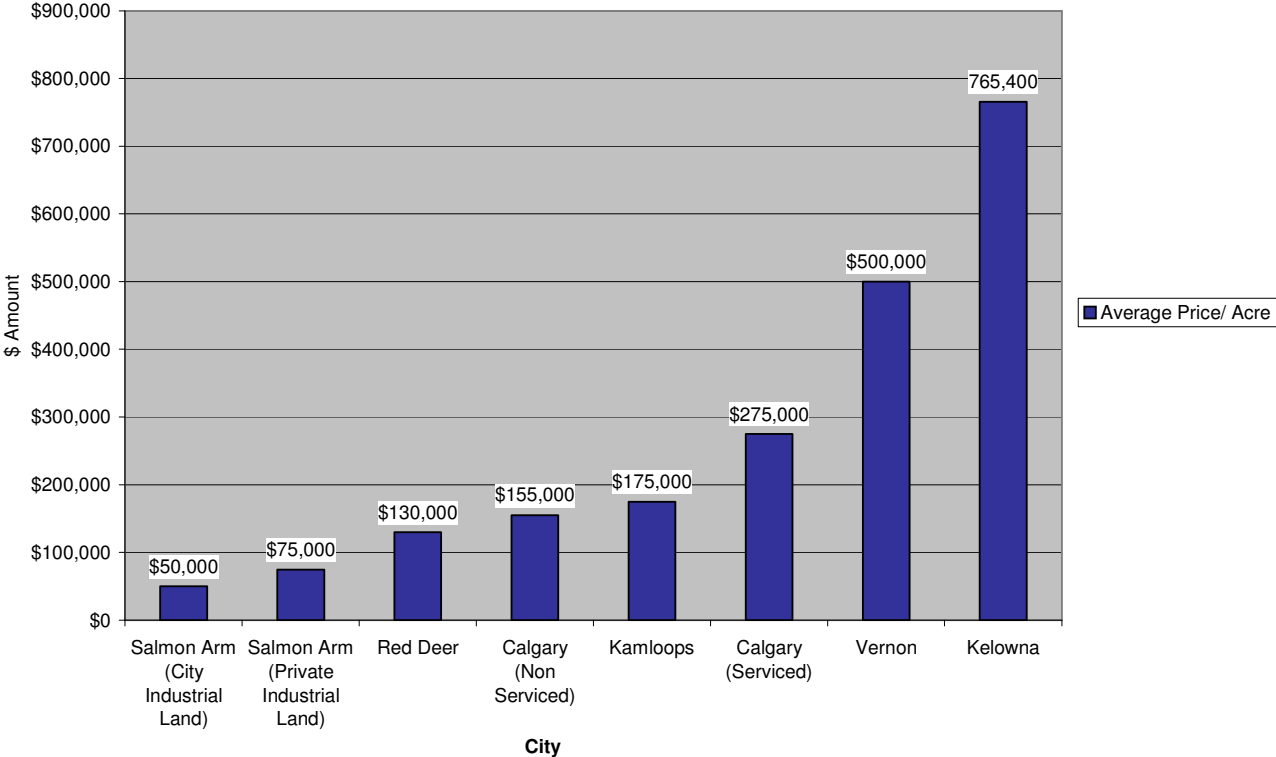
Commercial Land Use & Floor Space Inventory: Retail, Office, Service & Tourist				
Designation (Salmon Arm)	Location	Lot Area	Floor Area Ratio	Approx. Floor Area
Town Centre	Developed core	22,521 sq. m	0.7	15,765 sq. m
	Town centre fringe	177,966 sq. m	0.2	35,593 sq. m
	Vacant/ potential for redevelopment	50,349 sq. m		
Total		250,836 sq. m		51,358 sq. m
Highway Service/Tourist Commercial	Developed	451,139 sq. m	0.15	68,120 sq. m
	Vacant/ potential for redevelopment	428,339 sq. m		
	Limited potential for redevelopment	49,804 sq. m		
Total		932,282 sq. m		68,120 sq. m
Waterfront Commercial	Developed	8,738 sq. m	0.25	2,185 sq. m
	Vacant/potential for redevelopment	25,655 sq. m		
Total		34,393 sq. m		2,185 sq. m
Innovative Residential Commercial	Developed	4,387 sq. m	0.25	1,097 sq. m
	Vacant/potential for redevelopment	24,345 sq. m		
Total		28,732 sq. m		1,097 sq. m
TOTAL		1,246,243 sq. m		122,760 sq. m
Data presented in this table was obtained in part from the City of Salmon Arm Official Community Plan, which was a study completed in 2002 and has not been replicated. Therefore, current numbers are not available (August 2006).				

Industrial Land

Industrial Land Cost Comparison

As demonstrated in the table and chart below, Salmon Arm offers substantially more affordable industrial land than other cities located in the Okanagan and larger centres in Alberta. Salmon Arm Industrial land owned by the City and Private owners is on average a minimum of \$100,000 less (per acre) than any of the Thompson Okanagan cities it is compared to in this section. Salmon Arm presents an affordable and designated Industrial Park suitable for manufacturing companies. Further Real Estate representatives from many of the cities listed, in particular Vernon, Kelowna and Kamloops noted a shortage in the amount of industrial land available— there is next to none. Salmon Arm offers close access to these larger centres, and with a yearly increasing population in future years should be able to offer many of the same amenities larger cities have.

Industrial Land Price Comparison



Industrial Land Prices (Summary)		
City/ Town	Average Price/ Acre	Source
Salmon Arm	\$75,000	Corrie Appraisals: Paul Corrie
Red Deer	\$130,000	Red Deer Royal Lepage: Linden
Calgary (Non Serviced)	\$155,000	Calgary Royal Lepage: Randy Murray
Kamloops	\$175,000	Kamloops Royal Lepage: Adam Yakubowich
Calgary (Serviced)	\$275,000	Calgary Royal Lepage: Randy Murray
Vernon	\$500,000	Vernon Royal Lepage: Brian Morris
Kelowna	765,400	Kelowna Royal Lepage: Art Bosma
Info current as of July 2005.		

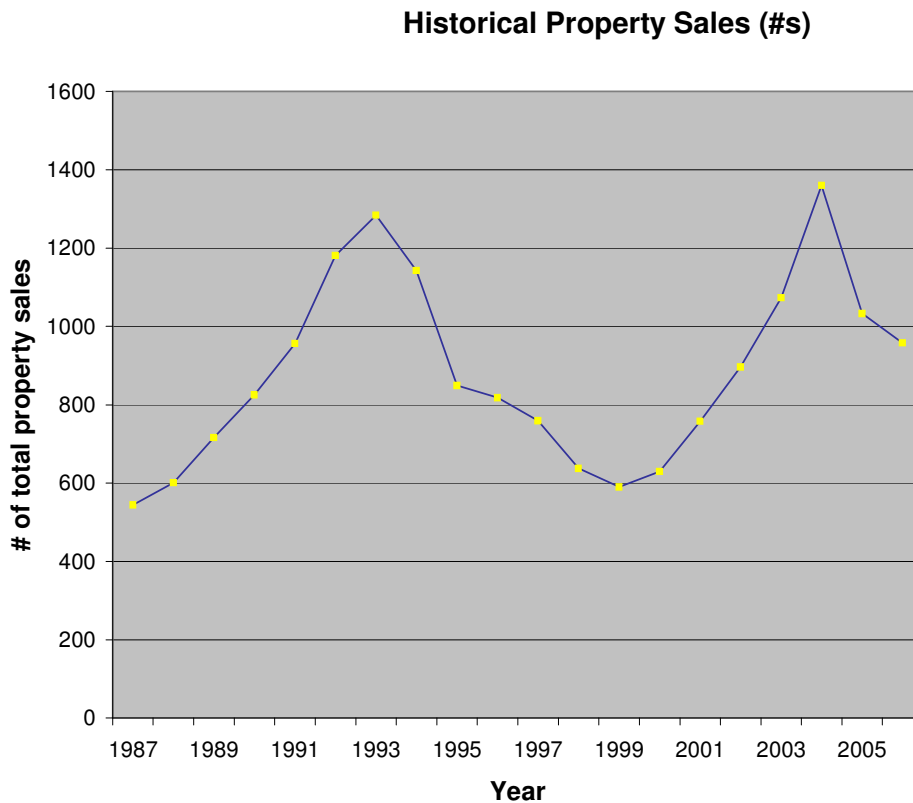
Industrial Land Inventory

City of Salmon Arm Industrial Land Inventory	
Area	Undeveloped
Airport/Salmon Arm Business Park	160 ha (395 ac)
Canoe	5.6 ha (14 ac)
30th Street	2.4 ha (6 ac)
Undeveloped	168 ha (415 ac) 48%
Developed	185 ha (457 ac) 52%
Total Industrial Land	353 ha (872 ac) 100%
<p>Within the City of Salmon Arm, 48% or 168 ha (415 acres) is undeveloped land designed for industrial land use and suitable for future development. The main future development opportunities are located near the Salmon Arm airport and Business Park. These lands are a mix of large unserviced parcels or rural and agricultural acreages.</p>	
<p>Source: City of Salmon Arm. August, 2006. Data presented in this table was obtained in part from the City Official Community Plan, which was a study completed in 2002 and has not been replicated. Therefore, current numbers are not available (August 2006).</p>	

Residential Real Estate

The Shuswap region is an increasingly popular place to live. This popularity became evident in the early 1990s with the total number of properties sold increasingly on a yearly basis throughout the 80s until a peak point in 1993. The mid to late 1990s demonstrated a decline in overall sales with staggering numbers yearly, yet in 2002 the region experienced a boom which has been echoed by an increase in numbers on a yearly basis ever since. 2004 marks the highest number of properties sold (on record from the Okanagan Mainline Real Estate Board) at 1360 properties sold; the previous record in 1993 was 1284. "Total properties" includes residential, residential waterfront, condos, townhouses, lots and waterfront lots.

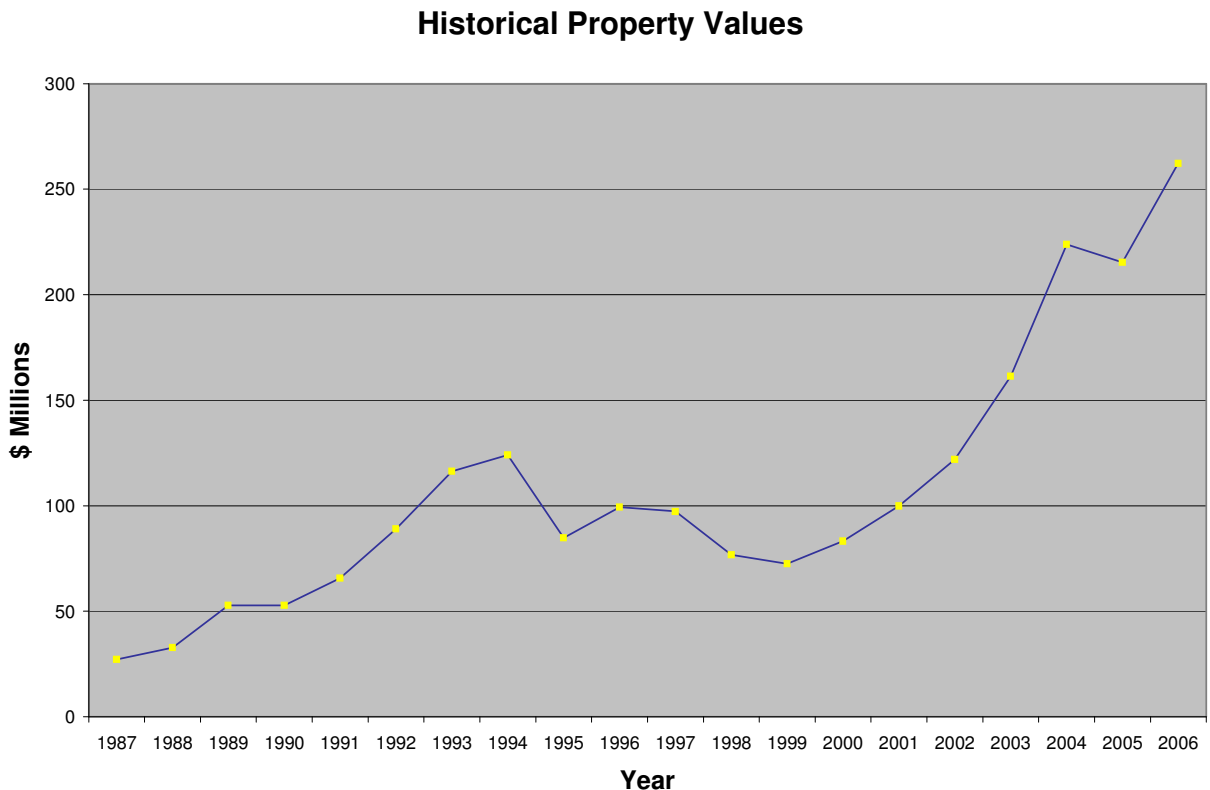
Property Sales



Source: Okanagan Mainline Real Estate Board, www.omreb.com August 2007.

Property Values

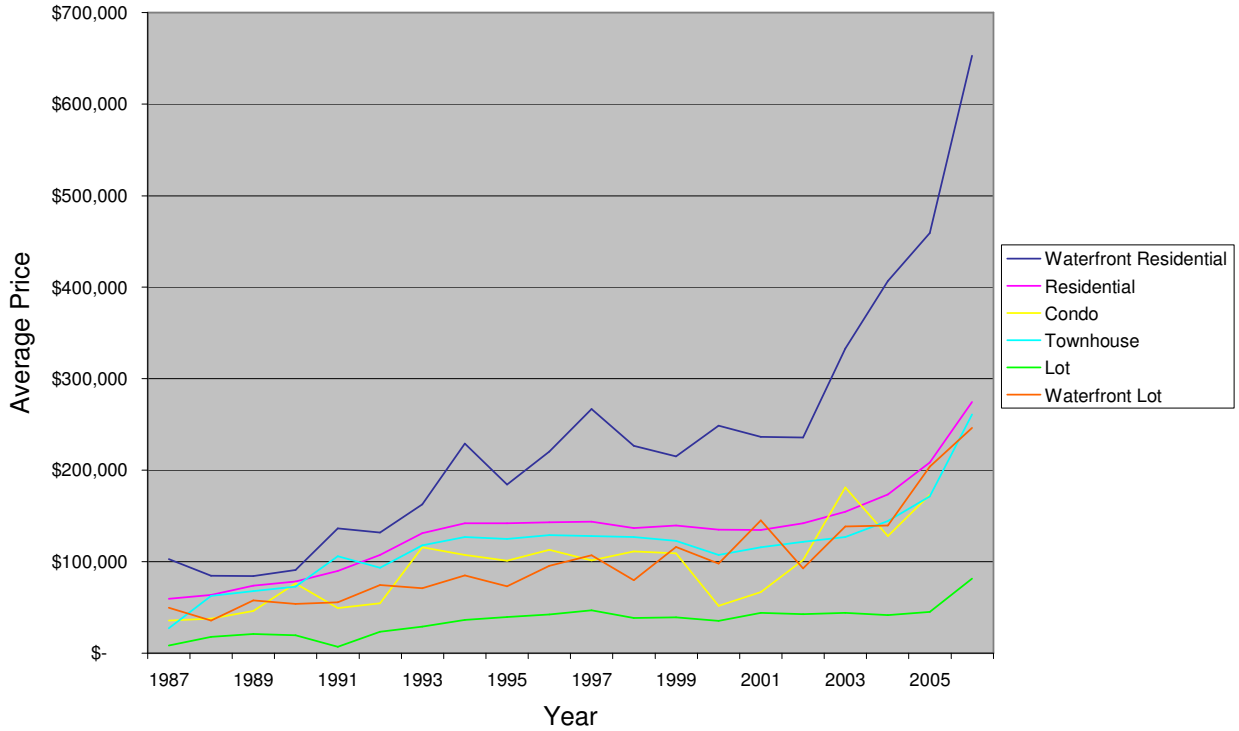
Historical Property Values includes the overall total sales (see previous graph) dollar amounts for each year. The chart below clearly demonstrates the sharp increase in property values in the Shuswap Region. The trend previously discussed above in regards to total property sales is similar in the case of value, as the region experienced a distinct decline in sales during the mid to late 90's. However, the region is without a doubt making up for the lost value since in 2004 total sales values skyrocketed to an all-time high of \$223.8 million dollars. With the exception of the years 1993, 1994, 2002 and 2003, the 2004 total sales amount at least doubles all other yearly totals since 1987, and values have increased more since then.



Source: Okanagan Mainline Real Estate Board, www.omreb.com August 2007.

The following graph is a detailed break down of the historical property values graph, providing trends for individual "property types" over time.

Shuswap Property Values



Source: Okanagan Mainline Real Estate Board, www.omreb.com August 2007.

Real Estate Statistics

Residential Housing prices continued to increase in the Shuswap until June of 2008 as indicated in the table below.

According to a media release from the Okanagan Mainline Real Estate Board (OMREB) in July '08, the numbers are showing we have entered a Buyer's cycle. "Real estate is cyclical, and this is a return to more normal competitive market conditions".

The Shuswap Zone of OMREB reported total sales dollars of all property types sold on the Multiple Listing Service in May decreased by 39% compared to June 2007. Units sold were also down 34% over last year. However, the number of units listed on the MLS increased significantly by 36% over last June.

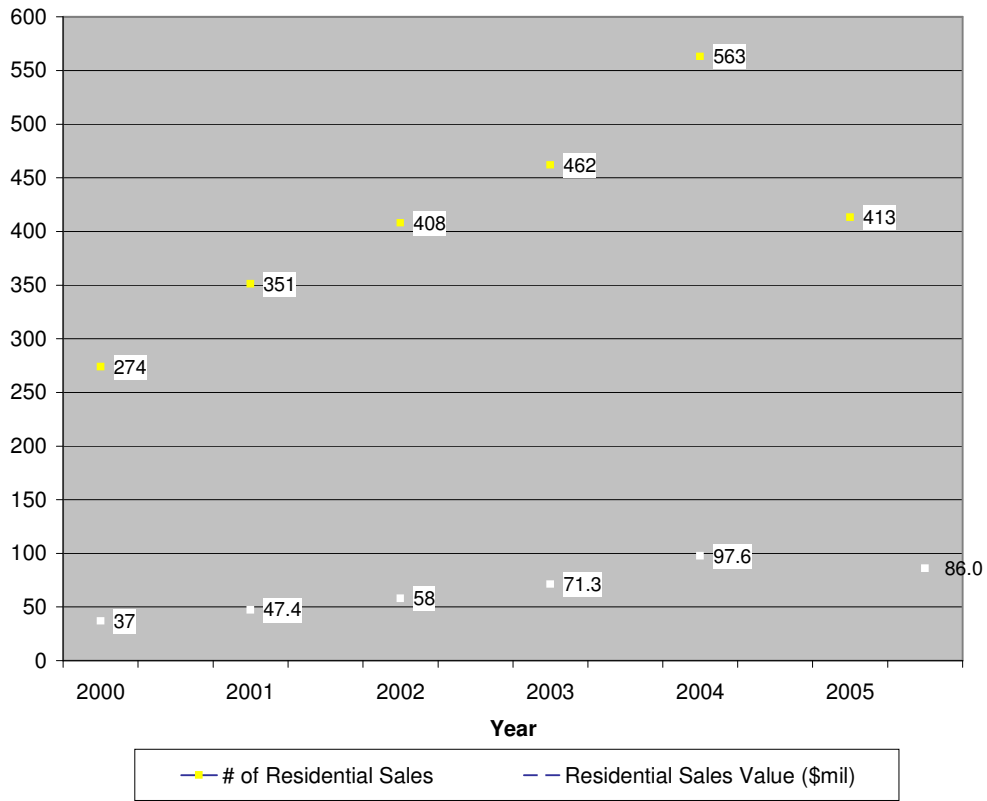
Shuswap & Okanagan Residential Housing Prices Year to Date (YTD) June 2008		
Real Estate Zone	Average Price	Median Price
Shuswap YTD 2007	\$323,408	\$320,000
Shuswap YTD 2008	\$367,301	\$371,000
North Okanagan YTD 2008	\$392,586	\$375,000
Central Okanagan YTD 2008	\$512,867	\$475,900

Shuswap Zone Residential Housing Statistics Year to Date (YTD) June 2008			
Category	YTD June 2008	YTD Last Year	Inc/Dec.
Units Listed	707	515	37.28%
Units Sold	225	329	-31.61%
Sales Volume	\$82,642,832	\$106,401,272	-22.33%
List/Sell Ratio	95.09%	96.69%	n/a
Days to Sell	82	83	-1.20%

Source: Okanagan Mainline Real Estate Board (OMREB) Stats June 2008.
www.omreb.com

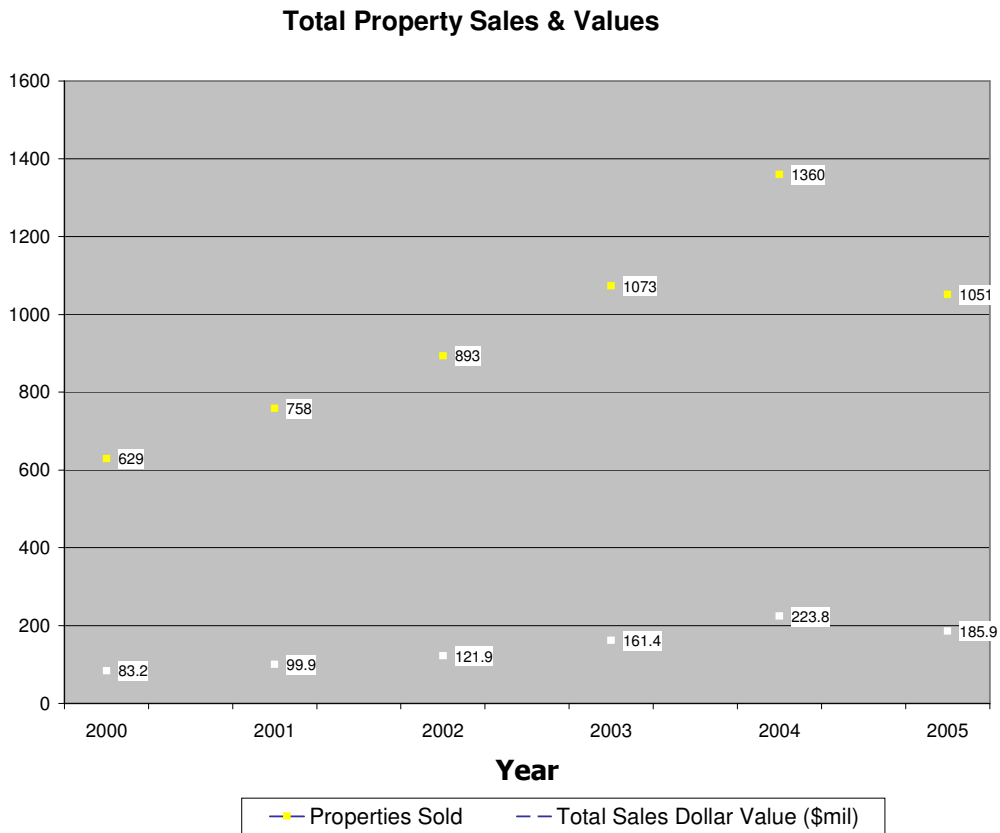
Residential

Residential Sales and Values



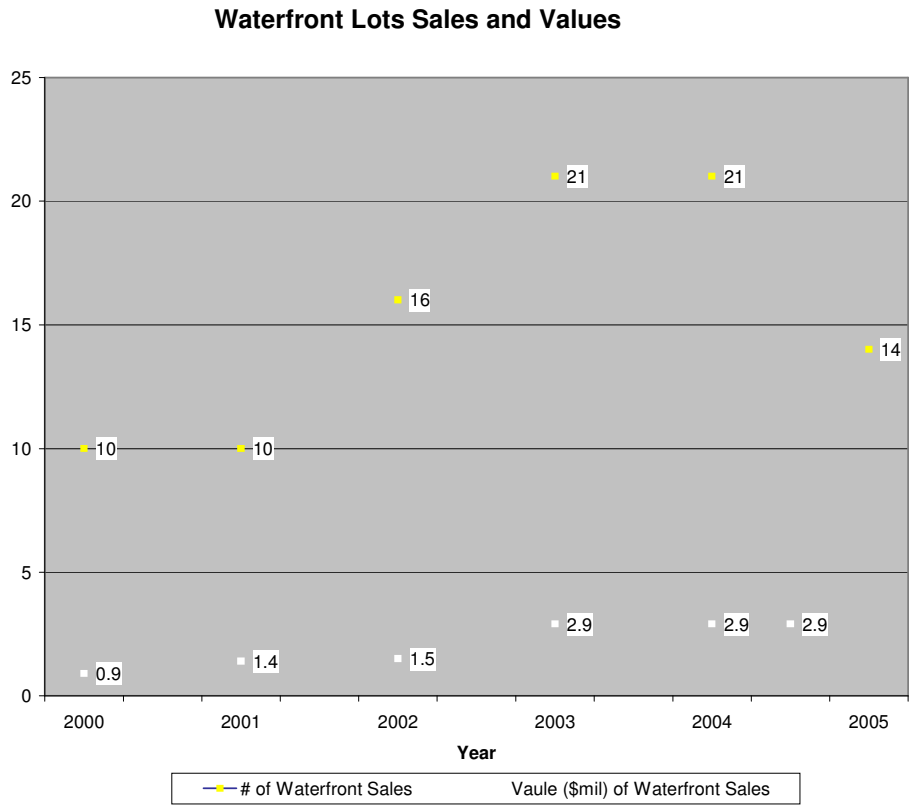
Source: Okanagan Mainline Real Estate Board, www.omreb.com July 2006.

Total Properties



Source: Okanagan Mainline Real Estate Board, www.omreb.com July 2006.

Waterfront



Source: Okanagan Mainline Real Estate Board, www.omreb.com July 2006.

Tax Rate

Tax Rate (Per \$1,000 of assessed value)					
	Residential	Industry	Industry-Major	Industry-Light	Business
Salmon Arm					
1999	11.9013	N/A	50.5917	33.3285	24.7979
2000	12.2850	N/A	34.9261	25.3674	24.5929
2001	12.2579	N/A	55.6561	35.4447	25.7834
2002	12.7106	N/A	57.3871	35.461	26.1634
2003	12.5246	N/A	60.0056	36.1613	26.7805
2004	12.1375	N/A	63.5723	37.4101	27.2602
2005	12.1324	N/A	69.6069	39.3473	31.4348
2006	10.9098	N/A	71.134	39.1525	30.9587
2007	9.0077	N/A	70.9154	29.6036	27.2563
Sicamous					
1999	4.1815	14.2171	N/A	N/A	10.2447
2000	4.3200	14.6879	N/A	N/A	10.5839
2001	4.4556	15.1489	N/A	N/A	9.8022
2002	4.6954	15.9645	N/A	N/A	10.3300
2003	4.8048	16.3484	N/A	N/A	11.7805
2004	5.0445	17.1514	N/A	N/A	12.3591
2005	4.9883	16.9601	N/A	N/A	12.2213
2006	5.3244	18.103	N/A	N/A	13.0448
2007	4.2845	14.5674	N/A	N/A	10.4971
Source: City of Salmon Arm and District of Sicamous, July, 2007.					